REPORT ON PLANS AND PRIORITIES

2016-17

The Honourable Navdeep Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

Canada Economic Development for Quebec Regions
Développement économique Canada pour les régions du Québec

Canada

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Ministers' Message

As Canada begins a new chapter in 2016–17, creating a culture of innovation is more important than ever in driving economic growth.

The Honourable Navdeep Bains

Minister of Innovation, Science and Economic Development

The recent name change of our Innovation, Science and Economic Development Portfolio recognizes this, placing a deliberate emphasis both on innovation and scientific discovery, and their equal importance for economic development nationally and throughout all of Canada's diverse regions.

We have promised Canadians a government that will bring real change—in both what we do and how we do it. We will invest in growing our economy, increase transparency and use the best evidence available to inform decision making.

Through the programs of the Innovation, Science and Economic Development Portfolio, we will work to develop and deliver an innovation agenda for Canada that will help improve our productivity performance, grow the economy and enhance our prosperity and well-being.

The Honourable Kirsty Duncan

Minister of Science

This 2016-17 *Report on Plans and Priorities* of Canada Economic Development for Quebec Regions provides information on how the Agency will support the Government on achieving our agenda in the coming year and we are fully confident that Canada Economic Development for Quebec Regions is prepared to successfully support us and work with our partners inside and outside government to deliver for Canadians. However, given our commitment to more effective reporting, this year's report will be the final submission using the existing reporting framework.

The Prime Minister and the President of the Treasury Board are working to develop new, simplified and more effective reporting processes that will better allow Parliament and Canadians to monitor our Government's progress on delivering real change to Canadians. In the future, Canada Economic Development for Quebec Regions' reports to Parliament will focus more transparently on how we are using our resources to fulfill our commitments and achieve results for Canadians.

The Honourable Bardish Chagger

Minister of Small Business and Tourism

These new reporting mechanisms will allow Canadians to more easily follow our Agency's progress towards delivering on our priorities, which were outlined in the Prime Minister's mandate letters to us.[i]

It is our pleasure to present the *Report on Plans and Priorities* for Canada Economic Development for Quebec Regions for 2016–17, which sets out how the Agency's work will contribute to attaining these shared objectives.

The Honourable Navdeep Bains	The Honourable Kirsty Duncan	The Honourable Bardish Chagger
Minister of Innovation, Science and Economic Development	Minister of Science	Minister of Small Business and Tourism
Mandate Letter[ii]	Mandate Letter[iii]	Mandate Letter[iv]

SECTION I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister:
The Honourable Navdeep Singh Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

Institutional Head: Marie Lemay

Ministerial Portfolio:
Innovation, Science and Economic Development

Enabling Instrument:
Economic Development Agency of Canada for the Regions of Quebec Act (S.C. 2005, c. 26).[v]

Year of Commencement: 2005

Organizational Context

Raison d'être and Responsibilities

Mission

Under its constituent Act,[i] the object of the Economic Development Agency of Canada for the Regions of Quebec (CED) is to "promote the long-term economic development of the regions of Quebec by giving special attention to those where slow economic growth is prevalent or opportunities for productive employment are inadequate."

As part of its mission, CED promotes the start-up and performance of businesses. It helps them become more innovative, productive and competitive. It supports communities' engagement efforts in Quebec's regions and helps to attract investment that will increase the prosperity of the Quebec and Canadian economies.

CED contributes to the economic vitality of all Quebec regions, by building on their competitive regional advantages. It makes investments that support transition and diversification for those communities that remain dependent on one sector for economic opportunities or that have experienced economic shocks.

CED also pays special attention to communities with low economic growth. In this respect, CED uses an Economic Development Index[1] which allows it, among other things, to determine the economic development levels of Quebec's 104 communities[2] in order to meet their needs more specifically.

Through its business offices, present in the regions of Quebec, CED works directly and indirectly with businesses, primarily small and medium-sized enterprises (SMEs), and through non-profit organizations (NPOs) that support them and the communities.[vi] By providing financial assistance for projects, among other things, CED supports their development efforts.

[1] The Economic Development Index consists of many variables, such as the participation rate, level of entrepreneurship, level of exporting establishments, value of building permits and the diversification of the industrial structure.

[2] By "communities," CED means Quebec's 104 regional county municipalities (RCMs) and equivalent territories (ETs).

CED's approach is inspired by the best practices identified with respect to regional economic development. It is:

- **consistent** with government priorities and national strategies in line with its object and anticipated results;
- **geared** to the economic issues and challenges of Quebec's enterprises and its different regions by building on their assets and potential; and
- **collaborative** with economic agents, such as local partners, other federal departments and agencies, the Quebec government and municipal organizations.

CED contributes to the design, administration or implementation in Quebec of nationwide grants and contributions (G&C) programs and temporary initiatives.

CED's Grants and Contributions Programs and Initiatives, 2016–17[vii]

Main program: *Quebec Economic Development Program* (QEDP)[viii]

- Targeted and/or temporary initiatives:
  - *Economic Recovery Initiative for Lac Mégantic*
  - *Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile*
  - *Strategic Initiative to Combat the Spruce Budworm Outbreak in Quebec*
  - *Extension of the natural gas distribution network between Lévis and Sainte-Claire (Bellechasse Pipeline)*
  - *Linguistic Duality Economic Development Initiative* (EDI) (Canada-wide initiative)
  - *Canada 150 Community Infrastructure Program* (CIP-150) (Canada-wide initiative)

Canada-wide program implemented in Quebec by CED:

- *Community Futures Program* (CFP)

Infrastructure Canada's delivery partner in Quebec:

- *Building Canada Fund–Quebec* (BCF)

The CED's main grants and contributions program, the QEDP, came into effect on April 1, 2012. The main recipients of the program are SMEs, business groups or associations and NPOs whose principal mission is to support businesses or economic development. The QEDP includes repayable and non-repayable contributions.

Strategic Outcome and Program Alignment Architecture

This report is structured according to CED's *Program Alignment Architecture* (PAA). The following list presents CED's complete framework of programs and sub-programs,[3] the links among them, and the strategic outcome to which they contribute.

1. **Strategic Outcome:** Quebec's regions have a growing economy

1.1 Program: Business Development
- **1.1.1 Sub-Program:** *Entrepreneurship Support*
- **1.1.2 Sub-Program:** *Business Performance*

1.2 Program: Regional Economic Development
- **1.2.1 Sub-Program:** *Regional Engagement*
- **1.2.2 Sub-Program:** *Regional Investment*

1.3 Program: Strengthening Community Economies
- **1.3.1 Sub-Program:** *Community Futures Program*
- **1.3.2 Sub-Program:** *Infrastructure Modernization*
- **1.3.3 Sub-Program:** *Targeted and/or Temporary Support*

1.4 Internal Services

[3] Note that a grants and contributions (G&C) program or a transfer payment program does not correspond to a program or sub-program in the PAA.

Organizational Priorities

Priorities represent the areas on which CED has decided to focus, but do not exclude the execution of activities in other areas of the PAA. They are established to reflect the priorities of the Government of Canada, targeted departmental results and risks, and the economic challenges of the different regions of Quebec. During fiscal year 2016–17, CED fully supports the priorities of the Government of Canada, including the innovation agenda. CED has chosen the following three priorities:

Priority 1: ***Support the innovation agenda by supporting enterprises in their expansion, innovation and export activities***

Description

In support of the Government of Canada's innovation agenda, prioritizing innovation and clean technologies, CED will implement the primary objective to help enterprises innovate, grow and export their products and services so that they can create quality jobs and support prosperity. This objective will be achieved particularly in collaboration with federal partners, the Quebec government, municipalities, educational institutions (those promoting technological transfer and the development of new processes including clean technology) , enterprises, employers, workers and sectors of activity (i.e., clusters) in a way that enhances the quality of support for innovation, exports and entrepreneurship.

Priority Type[1]

New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to PAA
• Implementation of the engagement strategy with stakeholders.	January 2016	June 2016	All
• Achievement of research agenda.	June 2015	March 2018	All
• Renewal of strategic framework.	March 2016	June 2016	All
• Support for projects submitted by SMEs and NPOs with respect to governmental orientations.	Ongoing	Ongoing	1.1.1 Entrepreneurship Support 1.1.2 Business Performance
• Implementation of the Industrial and Technological Benefit policy.	February 2014	Ongoing	1.1.2 Business Performance

[1] The different types of priorities are as follows: **already established priority** – established during the first or second fiscal year prior to the fiscal year targeted in the report; **ongoing priority** – established at least three fiscal years before the fiscal year targeted in the report; and **new priority** – established during the fiscal year targeted by the report.

Priority 2: ***Support the innovation agenda by supporting the economic diversification and transition of communities by building on their competitive advantages***

Description

In support of the Government of Canada's innovation agenda, CED will make strategic investments that build on competitive regional advantages and the opportunities flowing from the opening of certain markets and new technologies. CED will increase its support of economic diversification and transition, especially for those communities that remain dependent on one sector for economic opportunities or that have experienced economic shocks.

Priority Type

New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to PAA
• Update CED's economic development index.	April 2016	September 2016	All
• Update regional intervention strategies.	June 2016	November 2016	All
• Support for the economic diversification of communities.	Ongoing	Ongoing	1.2.1 Regional Engagement 1.2.2 Regional Investment 1.3.1 Community Futures Program 1.3.3 Targeted and/or temporary Support
• Implementation of: ▪ the *Economic Recovery Initiative for Lac Mégantic;*	July 2013	March 2020	1.3.3 Targeted and/or temporary Support
▪ the *Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile.*	June 2013	March 2020	1.3.3 Targeted and/or temporary Support

Priority 3: *Rely on CED's culture of innovation to enhance its performance*

Description
CED will rely on its capacity for innovation and ongoing improvement to modernize its procedures and systems to help enhance its openness and transparency and provide its clients with improved service in a stimulating context for its employees.

Priority Type
New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Link to PAA
• Implementation of the Open government plan.	October 2014	March 2020	1.4 Internal Services
• Implementation of the Oxygen initiative, an internal initiative where a dedicated team focuses on strengthening the culture of continuous improvement, on innovation, and on optimizing CED's processes and tools.	May 2015	To be determined	1.4 Internal Services
• Implementation of concrete measures to build the Public Service of the Future, while promoting employee engagement, by pursuing initiatives stemming from the *Blueprint 2020* action plan.	January 2014	March 2020	1.4 Internal Services

The results of CED's efforts in 2016-2017 relative to its new priorities will be seen when the projects supported as a consequence will be completed during the next few years. They will be subject to accountability in future CED Performance Reports.

CED's targeted results, according to the new priorities, will be adjusted in compliance with the policies and requirements of the Treasury Board Secretariat in future CED Reports on Plans and Priorities (RPP).

For more information on organizational priorities, see the Minister's mandate letter on the Prime Minister of Canada's website.[ix]

Risk Analysis

To achieve its results, CED performs an ongoing analysis of the environment so it can recognize and understand the new challenges and opportunities that have a marked influence on its intervention. For example, in 2016-2017, CED will implement an engagement strategy based on the new means of dialogue, such as social media, in order to renew its 2016-2021 strategic framework.

CED also incorporates risk management into its decision-making processes and departmental planning. It implements appropriate risk response strategies to attain its results and enhance decision making and allocation of its resources.

The following external risk was identified as the most likely to affect the achievement of CED's expected results during the reporting period. The identified risk response strategies make it possible to document issues, consult and maintain contact with local stakeholders, and respond in a concerted manner.

The Departmental risk profile, progress and the impact of risk response strategies are reviewed semi-annually.

Corporate Risk	Risk Response Strategy	Link to PAA
External Risk		
Economic Risk and Institutional Capacity Risk that the pursuit of priorities and expected results from CED's economic development programs may be affected by the economic context and the various changes taking place in the organizations and support structures for regional economic development and businesses in Quebec.	▪ Engagement with the citizens, the province, and the key economic development stakeholders to renew CED's strategic framework. ▪ Continuous monitoring of the context and of the support structure for regional economic development and enterprises in Quebec and analysis of the impact in order to adjust program delivery, as required. ▪ Development and implementation of specific or temporary initiatives in response to issues specific to the regions.	Program 1.1 Program 1.2 Program 1.3

Planned Expenditures

This section provides an overview of planned financial and human resources.

Budgetary Financial Resources[5] (dollars)

2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
303,119,941	303,119,941	255,407,651	235,596,508

Human Resources (Full-time Equivalents [FTEs])

2016–17	2017–18	2018–19
323	323	323

[5] This chart includes grants and contributions expenditures and operating expenditures.

Table 1 – Budgetary Planning Summary by Strategic Outcome and Program[6] (dollars)

Strategic Outcome, Programs and Internal Services	2013–14 Expenditures	2014–15 Expenditures	2015–16 Forecast Spending	2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
Strategic Outcome 1: Quebec's regions have a growing economy							
Program 1.1: Business Development	147,594,135	146,564,462	151,172,023	158,796,744	158,796,744	132,707,110	127 858 109
Program 1.2: Regional Economic Development	39,132,388	34,133,620	35,152,999	38,450,858	38,450,858	37,317,362	42,192,197
Program 1.3: Strengthening Community Economies[7]	64,286,545	55,328,034	55,690,601	87,644,272	87,644,272	66,878,031	47,040,097
Subtotal – Strategic Outcome 1	251,013,068	236,026,116	242,015,623	284,891,874	284,891,874	236,902,504	217,090,403
Subtotal – Internal Services	18,292,750	17,871,800	17,336,144	18,228,067	18,228,067	18,505,147	18,506,105
TOTAL	**269,305,818**	**253,897,916**	**259,351,767**	**303,119,941**	**303,119,941**	**255,407,651**	**235,596,508**

[6] This chart includes grants and contributions expenditures and operating expenditures. Internal services include only operating expenditures.

[7] The difference observed in CED's planned spending between 2016–17 and subsequent years is primarily attributable to the amount of reinvestment of revenues from clients' contribution repayments, which is included in planned spending for 2016–17 but not for the following two years, since the authority had not been granted at the time of writing this RPP.

[8] The increase in planned spending for 2016–17 and 2017–18 for the *Strengthening Community Economies* program is attributable to the new *Canada 150 Community Infrastructure Program* (CIP-150) and to funding for the *Extension of the natural gas distribution network between Lévis and Sainte-Claire (Bellechasse Pipeline)*.

Analysis of Trends Related to Planned Financial and Human Resources by PAA Program

For 2016–17, CED's total grants and contributions (G&C) expenditures and operating expenditures is estimated to the amount of $303 million. Of this, an estimated $260 million would be invested in G&C in projects involving economic development, while $43 million would be used for operations.

Budget Estimates for PAA programs (excluding Internal Services)
Table 1 shows that CED's planned spending for 2016–17, aside from that associated with Internal Services, is estimated to reach $284.9 million, thus accounting for 94% of its total expenditures. Spending would be divided among CED's PAA programs as follows:

- 56% for *Business Development*;
- 13% for *Regional Economic Development*; and
- 31% for *Strengthening Community Economies*.

Budget Estimates for Internal Services
Table 1 also shows that CED's planned spending for 2016–17 in the Internal Services program of its PAA is estimated to the amount of $18.2 million, thus accounting for 6% of its total anticipated expenditures.

Forecasts Related to the Allocation of Human Resources Between 2016–17 and 2018–19

CED plans to maintain its human resources levels over the next three years. It will accomplish the government's plans and priorities while continuing to implement temporary and/or targeted initiatives. Through its presence in local communities, it will engage the economic stakeholders in order to support its priorities. CED will update its economic development index, complete the research projects anticipated in its 2015-2018 research agenda and renew its strategic framework.

The end of delivery by CED of the BCF (Communities and Large Urban Centres components) on March 31, 2017 and of the CIP-150 temporary initiative the following year, allows for this increase in effort in addition to those needed for project follow-up.

Alignment of Spending With the Whole-of-Government Framework

Alignment of 2016–17 Planned Spending with the Whole-of-Government Framework[x] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2016–17 Planned Spending
Quebec's regions have a growing economy	1.1 Business Development	Economic Affairs	Strong economic growth	158,796,744
	1.2 Regional Economic Development	Economic Affairs	Strong economic growth	38,450,858
	1.3 Strengthening Community Economies	Economic Affairs	Strong economic growth	87,644,272

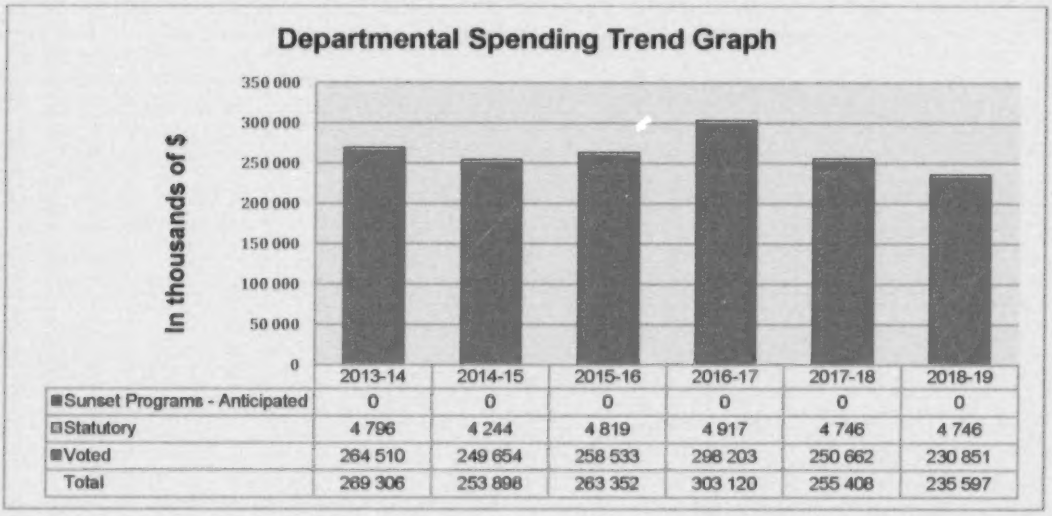
Total Planned Spending by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic Affairs	284,891,874
Social Affairs	0
International Affairs	0
Government Affairs	0

Departmental Spending Trend

The figure below shows CED's actual and planned spending trends during the previous three and next two fiscal years. The dark grey bar corresponds to G&C and operating expenditures under its programs. The light grey bar corresponds to statutory expenditures associated with CED employees' benefit plan.

Figure 1: Departmental Spending Trend



	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Sunset Programs - Anticipated	0	0	0	0	0	0
Statutory	4 796	4 244	4 819	4 917	4 746	4 746
Voted	264 510	249 654	258 533	298 203	250 662	230 851
Total	269 306	253 898	263 352	303 120	255 408	235 597

From 2013–14 to 2015–16, expenditures associated with CED's programs were steady. Funding levels for these programs are expected to remain constant for the entire period.

In 2016–17, CED's total planned spending is $303 million. The gap in funding for voted appropriations, starting in 2017–18, is attributable to the reinvestment of revenues from clients' contribution repayments that is included in planned spending for 2016–17, but not for subsequent years, since the Main Estimates for those fiscal years had not been authorized at the time of writing this RPP.

CED's expenditures depend on the targeted and/or temporary initiatives put in place during the fiscal years covered by this report.

The increase in planned spending for 2016–17 and 2017–18 is attributable to the new CIP-150 and to funding for the *Extension of the natural gas distribution network between Lévis and Sainte-Claire (Bellechasse Pipeline)*.

For fiscal year 2016–17, CED also plans to implement temporary and/or targeted initiatives, including the *Economic Recovery Initiative for Lac Mégantic*, the *Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile*, the *Strategic Initiative to Combat the Spruce Budworm Outbreak in Quebec*, and the Canada-wide *Linguistic Duality Economic Development Initiative* (EDI).

Estimates by Vote

For information on CED's voted appropriations, consult the 2016–17 Main Estimates.[xi]

SECTION II: Analysis of Programs by Strategic Outcome

This section provides information on CED's planning, with regard to its PAA. It reviews CED's programs and sub-programs[9] which contribute to achievement of its strategic outcome, providing for each of them a brief description and a forecast of the human and financial resources required to attain the organization's expected performance targets.

Strategic Outcome: Quebec's regions have a growing economy

Overall Performance

SO Performance Indicators	Targets	Target Attainment Date
Number of Quebec administrative regions having increased their gross domestic product	17	March 31, 2017
Percentage of Quebec communities[10] having improved their economic performance[11]	65%	March 31, 2017

Results with regard to regional economic development will be seen after the completion of projects which, for the most part, are spread out over several years. CED action on these new priorities will solidify in results when the projects supported as a consequence are completed.

The targeted results presented in the sub-sections below largely reflect the accomplishment of priorities established by CED in recent years. They are also established based on the context of CED intervention, its departmental risks, and its resources.

[9] A grants and contributions (G&C) or transfer payment program does not meet the definition of a program or sub-program in terms of the PAA.
[10] By "community," CED means the 104 regional county municipalities (RCMs) and equivalent territories (TEs) in Quebec.
[11] This indicator is measured based on the progress of economic variables of the CED's Economic Development Index (e.g. rate of activity, entrepreneurship and export establishments, value of building permits).

Program 1.1 – *Business Development*

Description

This program is designed to support enterprises' development throughout their life cycle so as to sustain Quebec's economic growth. Enterprises, SMEs in particular, are an engine of economic development. They are recognized as generating a significant share of economic activity and creating employment in communities.

CED contributes to the renewal of the pool of enterprises in Quebec by supporting the emergence of new SMEs and business succession. CED also works to increase the competitiveness of existing enterprises and support their survival by enhancing their performance. CED does so by supporting SMEs that modernize, expand, launch or extend their export activities, reinforce their innovation capability, commercialize, and establish partnerships.

In this program, CED mainly targets enterprises either directly or via non-profit organizations providing support for enterprises and entrepreneurs. CED promotes business development through a G&C program, the QEDP.

Budgetary Financial Resources[12] (dollars)

2016–17 Main Estimates	2016–17 Planned Spending[13]	2017–18 Planned Spending	2018–19 Planned Spending
158,796,744	158,796,744	132,707,110	127,858,109

Human Resources (FTEs)

2016–17	2017–18	2018–19
124	130	137

[12] The *Program Budgetary Financial Resources* and *Sub-program Budgetary Financial Resources* tables include expenses for grants, contributions and operations, except those for Internal Services, which includes only operational expenses.

[13] The reinvestment of revenues from clients' contribution repayments is included in planned spending for 2016–17 but not for 2017–18 and 2018–19, since the Main Estimates for those fiscal years have were not available at the time of this writing. This note applies to all budgetary financial resources tables in this RPP.

Performance Measurement

Expected Results	Performance Indicators	Targets	Target Attainment Date
The pool of Quebec businesses is renewed.	Survival rate of businesses supported in their startup.	90%	March 31, 2017
Quebec businesses are competitive.	Survival rate of businesses supported in their development.	95%	March 31, 2017

Planning Highlights

Despite the difficult economic context in Canada, Quebec's economic performance should increase slightly during the coming year, which could have a positive effect on investments from Quebec businesses in the coming years.

During the 2016–17 fiscal year, CED plans to continue, under the *Business Development* program, its financial support for enterprises at various times in their life cycle so as to contribute to the creation and startup of new businesses, promote an entrepreneurial culture in Quebec and enhance the competitiveness of existing businesses. CED also anticipates adapting its intervention based on its 2016-2021 strategic framework and its engagement strategy.

In the context of a weakened Canadian dollar and of an increase in foreign demand, especially from the United States, financial support from CED is especially meant to support entrepreneurs and Quebec enterprises in the innovation, expansion and export of their products.

CED's intervention in this program has been identified as an organizational priority for 2016–17. To that effect, CED plans to increase the level of human resources for the *Business Development* program over the coming years. This intensification of effort will help CED, by its presence in local communities, to involve economic stakeholders and to initiate projects related to its priority. Furthermore, having approved a large volume of projects in recent years, CED will have to engage in more project follow-up, having received repayable contributions, thus requiring more significant effort in terms of resources for this program.

CED will measure the achievement of its business development results by observing the survival rate of supported enterprises three years after the end of the funding provided.

Sub-program 1.1.1– *Entrepreneurship Support*

Description

This sub-program is aimed at increasing the pool of enterprises in Quebec. CED hopes to contribute enhancing entrepreneurial dynamism throughout Quebec in order to promote the growth and development of new entrepreneurs. To do so, on the one hand, CED encourages business pre-startups and startups, and, on the other hand, by supporting the survival of existing enterprises by promoting succession planning and supporting business transfer.

In this sub-program, CED provides support primarily to enterprises or through non-profit organizations that support enterprises or entrepreneurs, such as entrepreneurship centres, incubators, and transfer and spinoff organizations. CED contributes to supporting entrepreneurship through its G&C program, the QEDP.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
24,270,796	20,424,784	19,517,132

Human Resources (FTEs)

2016–17	2017–18	2018–19
25	26	26

Performance Measurement

Expected Result	Performance Indicator	Target	Target Attainment Date
Businesses are started.	Percentage of businesses started up.	40%	March 31, 2017

Planning Highlights

The number of entrepreneurs in Quebec is dropping due to the aging population.[xii] There were over 186,200 entrepreneurs in 2008, but that number fell to 167,500 in 2014.[xiii] Despite this decrease, the percentage of young people in Quebec planning on entrepreneurship continues to grow, going from 7% of the labour force in 2009 to 20% in 2015.[xiv]

The entrepreneurial deficit is a major issue in Quebec, and has an impact on enterprise startups. During 2016-17, CED plans to continue its financial backing under the *Entrepreneurship Support* SP in order to enhance entrepreneurial dynamism in Quebec. In connection with its priorities, CED plans to support projects meant to create or start up enterprises, especially enterprises from incubators or accelerators.

CED measures the achievement of its results in terms of entrepreneurship based on the percentage of start-up businesses[14]. Results are measured two years after the end of the funding period.

[14] A start-up business is defined as: in operation for at least one year and which has generated revenues equal to at least 80% of its expenses.

Sub-program 1.1.2 – *Business Performance*

Description

The goal of this sub-program is to increase Quebec enterprises' performance and competitiveness. To face global competition, the Quebec economy is confronted with the challenge of enhancing productivity. Productivity gains can be achieved among other things through investment carried out by Quebec enterprises.

In fact, in the context of growing global competition, Quebec enterprises wishing to expand or to ensure their survival have to innovate and convert their ideas into business opportunities, enhance their productivity and penetrate new markets.

CED assists enterprises from the different regions of Quebec to help them meet these challenges. It does so by encouraging them to invest to optimize their production and increase their efforts with respect to innovation, technology transfer, commercialization and exports. CED also supports in the structuring of business networks in which enterprises operate.

CED's intervention in this sub-program is aimed at enterprises and non-profit organizations that support enterprises or entrepreneurs. CED acts on enterprises' performance through its G&C program, the QEDP.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
134,525,948	112,282,327	108,340,977

Human Resources (FTEs)

2016–17	2017–18	2018–19
99	104	111

Performance Measurement

Expected Result	Performance Indicator	Target	Target Attainment Date
Businesses maintain or improve their performance.	% of supported businesses that maintained or increased their sales figures or self-generated income.	70%	March 31, 2017

Planning Highlights

During 2016–17, CED plans to continue its financial support under the *Business Performance* SP with a view to sustaining the prosperity and competitiveness of Quebec enterprises.

The anticipated increase in foreign demand, especially from the United States, should have an effect on the export of goods manufactured in Quebec.[xv] To position themselves to take advantage of the newly growing United States market as well as emerging markets, Quebec enterprises that export products should be encouraged to carve out a place in specialized markets with distinct, high-value-added products and services.

CED supports the efforts made by Quebec enterprises to increase innovation and competitiveness, especially for enterprises that rely on products and services distinguished by their value added. In the context of a weak Canadian dollar, enterprises need even more financial support due to their reduced ability to buy foreign-made equipment, which is necessary to improve their production.

In line with its first priority, CED plans to support projects related to innovation within enterprises. Innovation activities represent the main productivity growth factor of enterprises. Innovation also constitutes an essential component of enterprises' strategy to maintain or grow in response to new commercial dynamics. CED will therefore support innovation and technological transfer — especially projects resulting in innovative products, processes or services, including innovative green projects, as well as commercialization and exports.

Further in line with its priorities, CED will continue to implement the Industrial and Technological Benefits Policy.[xvi] It will therefore continue to work to strengthen the Quebec SMEs' capabilities to take advantage of business opportunities arising from the Government of Canada's procurement strategies.

CED will also continue its support for the Canada Business Network (CBN) service centres in Quebec (Info entrepreneurs in Montreal, and Ressources entreprises in

Quebec City). These provide information and referral services to guide entrepreneurs toward specialized resources.

CED will be able to determine whether the expected results have been achieved by measuring the growth or steadiness of sales figures for supported enterprises.

Program 1.2 – *Regional Economic Development*

Description

This program is intended to strengthen the regions' economic base so as to sustain the growth of Quebec's economy. Quebec's regions differ in, among other things, their industrial structure, and some are more sensitive to economic fluctuations. Quebec's prosperity depends on the participation of the different regions in the economy to their full potential.

CED wishes to contribute to building strong and competitive regions. It does so by supporting local communities as they take charge of their economic development and by stimulating investment in all Quebec regions.

In this program, CED intervenes primarily through non-profit organizations active in economic development. CED acts on regional economic development through its G&C program, the QEDP.

Budgetary Financial Resources (dollars)

2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
38,450,858	38,450,858	37,317,362	42,192,197

Human Resources (FTEs)

2016–17	2017–18	2018–19
21	25	31

Performance Measurement

Expected Result	Performance Indicators	Targets	Date to Be Achieved
Quebec regions have a strong economic base.	Total amount of investment generated in regions supported that completed the implementation of their development project.	$3M[15]	March 31, 2017
	Amount spent by tourists from outside Quebec that are attracted to the region.	$3.6B	March 31, 2017
	Amount of direct foreign investment maintained in or attracted to the regions supported.	$1.3B	March 31, 2017

[15] The target for the value of total investment generated in regions assisted in implementing development projects does not take into account community facility projects delivered through the Targeted and/or Temporary Support sub-program. For example, large-scale projects like the Bellechasse and Asbestos pipeline projects, which will be supported by CED in 2016–17, are not considered in the *Regional Economic Development* program, but they represent an investment of $45.9 million generated in their communities.

Planning Highlights

Under the *Regional Economic Development* program, CED plans to continue its financial support to the different regions of Quebec so as to strengthen their economic base and contribute to Quebec's economic growth.

To respond more particularly to the needs of the regions of Quebec, CED has adopted an economic development index. An update will be done to assess the economic potential of the 104 regional county municipalities (RCMs) and equivalent territories (ETs) of Quebec, including those with weak economic growth and those with few possibilities for productive employment.

In addition, in line with the engagement strategy with the population and the main stakeholders in regional economic development in Quebec, a new strategic framework will be developed in 2016-2017. The regional strategies of the business offices will also be updated. In this way, new opportunities for economic diversification and community transition can be identified.

In line with its priorities for 2016–17, CED will support the innovation agenda by supporting the economic diversification and transition of communities by building on their competitive advantages. Notably, CED will make strategic investments that support diversification and transition for those communities that remain dependent on one sector for economic opportunities, namely traditional manufacturing.

CED also plans to gradually increase efforts in terms of human resources devoted to *Regional Economic Development* over the next three fiscal years, which will help it strengthen business relations with key economic development agents in the regions.

One way to enhance regional competitiveness and bring about diversification is to attract foreign direct investment. This often involves high-performance jobs, which improve the standard of living and stimulate regional growth. Another way to stimulate regional growth is to attract tourists from outside Quebec.

CED will measure the achievement of these results relative to the economic development of the regions by observing the value of total investment generated in regions assisted in implementing development projects arising from engagement strategies or plans in order to allow access to community economic facilities, such as an airport; the value of the sums spent by tourists from outside Quebec; and the value of foreign direct investment by foreign businesses and international agencies.

Sub-Program 1.2.1 – *Regional Engagement*

Description

This sub-program is aimed at supporting local communities as they take charge of their development so as to strengthen the economic base of Quebec's regions. Local accountability with regard to local economic development and the synergy with which stakeholders interact are success factors in eliciting the establishment of growth-generating projects.

CED sustains the growth and diversification of Quebec communities by supporting engagement and joint action by the various stakeholders, the planning of their economic development, canvassing, pursuit of funding and implementation of structuring, recovery or diversification initiatives.

In this sub-program, CED intervenes primarily through non-profit organizations. This sub-program aims to support investments in the regions through its G&C program, the QEDP.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
4,404,293	4,285,844	5,004,270

Human Resources (FTEs)

2016–17	2017–18	2018–19
6	7	10

Performance Measurement

Expected Result	Performance Indicator	Target	Date to Be Achieved
Communities take charge of their economic development.	Number of communities supported that conduct planning or mobilization initiatives.	6	March 31, 2017

Planning Highlights

An increase in wealth disparity between Quebec's regions has been observed in recent years, particularly in terms of Gross Domestic Product (GDP) per capita and GDP growth.[xvii]

During 2016–17, CED plans to continue its financial support under the *Regional Engagement* SP to engage economic development agents in targeted communities in a common approach to increasing awareness of the region by developing and implementing engagement projects, such as a diversification or economic recovery strategy.

In this regard, in line with its priorities, CED will support, among other things, initiatives for the economic diversification and transition of communities by building on their competitive regional advantages.

New opportunities for the mobilization of the regions could be identified once CED has consulted local economic stakeholders, renewed its strategic framework and updated its regional intervention strategies thereby promoting the development, diversification and economic transition of Quebec communities.

CED anticipates that, in 2016–17, at least six communities supported in taking charge of their economic development will implement projects arising from their plans, studies or mobilization strategies. It is a question of the communities concerned putting in the effort over several years to follow up on the development of a plan, a study and a strategy; this will include, among other things, mobilizing of key players, agreeing on actions to foster and obtain funding and the authorizations needed to implement one or more development projects.

Sub-Program 1.2.2 – *Regional Investment*

Description

This sub-program is aimed at increasing investment in the different regions of Quebec so as to strengthen and diversify their economic activity base. Quebec's regions are faced with global competition, and must stand out to attract the investments needed to maximize their economic growth[xviii].

Quebec must build on its current strengths, such as: a diversified economy, including, among other things, access to the North American market, niches of excellence, skilled workers, an enviable quality of life, abundant resources and distinctive tourism.

CED supports regions in their efforts to acquire the equipment necessary to harness their assets in order to stimulate business and generate economic benefits. It also does so by enhancing promotion of regional assets with a view to increasing tourist spending and the attraction of foreign direct investment through foreign firms and international organizations.

This sub-program aims to support investments in the regions through its G&C program, the QEDP.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
34,046,565	33,031,519	37,187,927

Human Resources (FTEs)

2016–17	2017–18	2018–19
15	18	21

Performance Measurement

Expected Result	Performance Indicators	Targets	Date to Be Achieved
Quebec regions attract investment.	Number of communities that modernize or acquire community economic facilities.	8	March 31, 2017
	Number of tourists from outside Quebec attracted to the regions.	6.6M	March 31, 2017
	Number of international organizations and foreign enterprises maintained, in expansion or attracted to the regions supported.	45	March 31, 2017

Planning Highlights

During fiscal year 2016–17, CED plans to continue its financial support under the *Regional Investment* SP in order to contribute to the competitive positioning efforts of Quebec's different regions, by building on their competitive regional advantages, and attract new investment.

CED will measure the achievement of expected results by observing the number of communities that will have modernized or acquired community economic facilities. A community economic facility is a facility that has direct and immediate benefits to the community as a whole (including enterprises), such as an airport.

It will also pay special attention to the number of tourists from outside Quebec and foreign firms and international agencies attracted to Quebec.

Program 1.3 – *Strengthening Community Economies*

Description

In addition to its regular programs, CED develops, administers and implements Canada-wide programs or temporary and/or targeted initiatives. The common objective is "Strengthening Community Economies", in order to increase Quebec's economic growth.

CED supports communities' economic development and ensures sound and effective management of infrastructure programs in Quebec. CED also supports economic activity in Quebec communities that are sustaining economic shocks, experiencing development challenges or where long term business opportunities exist.

This program is directed at enterprises and non-profit organizations. CED intervenes in this program through QEDP using different forms of financing: temporary additional funding, dedicated ongoing funding from the Canadian government, and specific funds allocated by CED. CED also contributes using a permanent fund dedicated to the CFP and acting as Infrastructure Canada's delivery partner for the administration of the BCF (Communities and Large Urban Centres component) in Quebec.

Budgetary Financial Resources (dollars)

2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
87,664,272	87,644,272	66,878,031	47,040,097

Human Resources (FTEs)

2016–17	2017–18	2018–19
46	36	23

Performance Measurement

Expected Result	Performance Indicators	Targets	Date to Be Achieved
The communities of Quebec have a strong economy.	CFP: Number of percentage point increase in the survival rate of the CFP clients who have received support compared to the rate of comparable companies that did not receive support.	15 percentage points	March 31, 2017
	Infrastructure Modernization: Value of total investment generated in communities[xix].	n/a	n/a
	Targeted and/or Temporary Support: Amount of total investment generated in communities.	$170M	March 31, 2017

Planning Highlights

In 2016–17, CED plans to continue its financial support under the *Strengthening Community Economies* program in order to contribute to the prosperity and economic growth of Quebec regions.

CED will therefore continue delivery in Quebec of the Canada-wide CFP, several temporary initiatives[16] and two national initiatives,[17] and will continue to act as Infrastructure Canada's delivery partner for the administration in Quebec of the BCF.

[16] *Economic Recovery Initiative for Lac Mégantic, Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile* and *Strategic Initiative to Combat the Spruce Budworm Outbreak in Quebec*.

[17] *Linguistic Duality Economic Development Initiative* 2013–2018 and *Canada 150 Community Infrastructure Program*.

As to the Canada-wide CFP program, the survival rate over five years of CFP clients having received assistance is estimated to be at least 15 percentage points higher that of comparable enterprises having received no support in 2016–17 that are part of the control group. This group is composed of enterprises with similar to CFP-assisted businesses in size (positions), age (survival rate of started up businesses), geographical location (according to the first characters of the postal codes of CFP-assisted businesses) and operating in the same industrial sector.

One of CED's priorities for 2016–17 is to support the economic diversification and transition of communities, including those that have experienced economic shocks, by building on their competitive advantages. In this regard, CED will implement initiatives in the coming year, notably:

- the *Economic Recovery Initiative for Lac Mégantic*;
- the *Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile*.

With the end of delivery by CED of the BCF (Communities and Large Urban Centres components) on March 31, 2017 and of the CIP-150 initiative, the following year, CED foresees that less effort will be required in terms of human resources for the *Strengthening Community Economies* program.

In 2016–17, the value of total investment generated in communities assisted in strengthening their economies is estimated to total $170 million. Since the number and nature of the initiatives under this sub-program vary from year to year in line with local needs, the value of total investment generated fluctuates accordingly.

Sub-Program 1.3.1 – *Community Futures Program* (CFP)

Description

This sub-program is aimed at assisting local economic development in rural areas in order to strengthen the economies of Quebec communities. It implements a national program called the CFP.

The CFP contributes to strengthening the ability of rural communities to diversify their economic base to foster long-term prosperity and sustainability.

By means of the CFP, CED encourages access to capital, availability of consulting services and support for local projects and Quebec rural communities' planning and socio-economic development.

CED delivers the CFP in Quebec by supporting the Community Futures Development Corporations (CFDCs) and Business Development Centres (BDCs), by means of contribution agreements.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
30,213,686	30,374,790	30,345,490

Human Resources (FTEs)

2016–17	2017–18	2018–19
12	12	12

Performance Measurement

Expected Result	Performance Indicator	Target	Date to Be Achieved
The communities are economically sustainable	Number of percentage points increase in the growth rate of sales of CFP clients who received support compared to the rate of comparable businesses that did not receive support	7.5 percentage points	March 31, 2017

Planning Highlights

In line with its support for community economic diversification, during 2016–17, CED plans to continue its financial support under the *Community Futures Program* SP (CFP) in order to contribute to strengthening the economies of Quebec's rural communities.

In line with the CFP, CED anticipates concluding new agreements with CFDCs and BDCs in 2016-2017. In collaboration with these organizations, CED expects to develop the program so as to meet the needs of rural Quebec communities efficiently and to support government priorities.

To measure the achievement of expected results in this sub-program, CED will monitor the development of the sales growth rate of CFP clients.

Sub-Program 1.3.2 – *Infrastructure Modernization*

Description

This sub-program is aimed at ensuring sound and effective management of infrastructure programs in order to strengthen the economy of Quebec's communities. Quality public infrastructure is a key factor in economic development.

CED acts as Infrastructure Canada's delivery partner for the administration in Quebec of the BFC (Communities and Large Urban Centres component) program.

This program is the subject of an agreement between Infrastructure Canada and the Quebec government and is aimed primarily at municipalities.

Budgetary Financial Resources[18] (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
415,223	0	0

Human Resources (FTEs)

2016–17	2017–18	2018–19
4	0	0

[18] This chart includes operating expenditures only.

Performance Measurement

Expected Result	Performance Indicator	Target	Date to Be Achieved
The communities of Quebec have improved public infrastructure.	Number of communities that have at their disposal completed public infrastructure completed under the terms of the contribution agreement.	n/a	n/a

Planning Highlights

The collaboration of CED with Infrastructure Canada to ensure the implementation in Quebec of the BCF (Communities and Large Urban Centres components) will end on March 31, 2017.

CED is responsible for verifying project compliance with the standards in the Framework Agreements and program terms and conditions; and the use of funds.

Planning highlights and expected results with respect to these programs may be found in Infrastructure Canada's *Report on Plans and Priorities.*[xx]

Sub-Program 1.3.3 – *Targeted and/or Temporary Support*

Description

This sub-program is aimed at providing targeted and/or temporary support for Quebec communities' economic activity in order to stabilize or strengthen their economies.

CED provides support to Quebec communities facing economic shocks, natural disasters or situations that can have an adverse impact on their economic development, and that are facing serious economic development issues or are presented with development opportunities likely to have a positive impact on the regions.

This sub-program is aimed primarily at enterprises and NPOs. CED intervenes in this sub-program through temporary or dedicated additional funding from the Government of Canada or specific funds allocated by CED through its G&C program, the QEDP.

Budgetary Financial Resources (dollars)

2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
57,015,363	36,503,241	16,694,607

Human Resources (FTEs)

2016–17	2017–18	2018–19
30	24	11

Performance Measurement

Expected Result	Performance Indicator	Target[19]	Date to Be Achieved
The communities stabilize or strengthen their economy.	Number of communities that benefit from targeted and/or temporary support.	80	March 31, 2017

Planning Highlights

For 2016–17, CED intends to continue delivery in the *Targeted and/or Temporary Support* SP of temporary initiatives and a Canada-wide initiative,[20] to respond to the needs of 80 communities and government priorities with respect to economic development in Quebec in order to stabilize or strengthen their economies. A number of these initiatives are in line with CED's priority to support the innovation agenda by supporting the economic diversification and transition of communities by building on their competitive advantages.

Economic Recovery Initiative for Lac Mégantic

- Aims to provide support for the economic recovery and rebuilding of the town in the aftermath of the rail accident of July 6, 2013;
- With a budget envelope of $35 million over seven years, this initiative is divided into three components: reconstruction of the town, direct assistance to enterprises, and creation of two investment funds managed by the Mégantic-area CFDC;
- The dedicated team deployed in the field by CED will continue to accompany local stakeholders in their economic development efforts.

Canadian Initiative for the Economic Diversification of Communities Reliant on Chrysotile

- Aims to accompany communities and enterprises in the Des Appalaches and Des Sources RCMs in their efforts to diversify and strengthen their economic base and thus increase their long-term growth potential;
- With a budget envelope of $50 million over seven years, this initiative will make it possible to achieve the Government of Canada's priority of supporting the economic transition of communities dependent on the chrysotile asbestos industry to the secondary and tertiary sectors.

[19] The target was established based on those initiatives known at the time of writing this RPP. Other initiatives may be added during the year.

[20] The ongoing Canada-wide initiative in 2016–17 is the *Linguistic Duality Economic Development Initiative* (EDI) 2013–2018.

Strategic Initiative to Combat the Spruce Budworm Outbreak in Quebec (SICSBOQ)

- Aims to prevent the spread of spruce budworm in the Bas-St-Laurent, Gaspésie and Côte-Nord regions, and to support the acquisition of practical knowhow and greater experience in combatting spruce budworm;
- As part of this initiative, launched in May 2014, a contribution of $6 million over four years has been granted to the *Société de protection des forêts contre les insectes et les maladies.*

Linguistic Duality Economic Development Initiative (EDI)

- Aims to foster economic development in Quebec's official language minority communities (OLMCs);
- With a budget envelope of $10.2 million over five years, this initiative will continue until 2018.

Canada 150 Community Infrastructure Program (CIP-150)

- Supports the renovation, improvement and expansion of existing community infrastructure for public use;
- With a budget envelope of $31.2 million over two years for projects in Quebec, this Canada-wide program seeks to support NPOs in all Quebec communities that provide citizens with infrastructure that contributes to the communities' vitality.

Extension of the natural gas distribution network between Lévis and Sainte-Claire (Bellechasse Pipeline)

- Thanks to this project, the Bellechasse RCM will have a natural gas pipeline;
- CED is contributing $17.5 million to this project.

1.4 – Internal Services

Description

Internal services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Budgetary Financial Resources[21] (dollars)

2016–17 Main Estimates	2016–17 Planned Spending	2017–18 Planned Spending	2018–19 Planned Spending
18,228,067	18,228,067	18,505,147	18,506,105

Human Resources[22] (FTEs)

2016–17	2017–18	2018–19
132	132	132

[21] This chart includes operating expenditures only.

[22] The planned FTEs in the Internal Services are broken down according to the definition of internal services provided by the Treasury Board Secretariat (TBS) in the *Profile of Government of Canada Internal Services*. As agreed with the TBS, however, CED's *Management and Monitoring Services* group, as with Canada's other regional development agencies, excludes design and management of programs, policies, standards and guidelines, and government relations. The resources allocated to those services are therefore broken down among CED's other programs and sub-programs.

Planning Highlights

For 2016–17, CED plans to use its Internal Services program to meet the needs of the organization's programs and its obligations in a continuous improvement perspective. Through the Internal Services, CED supports the implementation of government-wide initiatives and facilitates the ownership and integration of these changes within the organization.

In keeping with Government of Canada policy, one of CED's priorities is to rely on a culture of innovation to enhance its performance. This priority particularly involves Internal Services, which will work in collaboration with central agencies to implement government-wide initiatives, such as Open Government.

Moreover, CED will continue its collaboration with the other regional development agencies to explore opportunities for improvement so that their programs and services are delivered effectively to Canadians.

CED equally foresees on pursuing its internal initiative Oxygen, implemented by a dedicated team, which focuses on strengthening the culture of continuous improvement, on innovation, and on optimizing CED's processes and tools.

SECTION III: Supplementary Information

Future-Oriented Condensed Statement of Operations

The Future-Oriented Condensed Statement of Operations provides a general overview of CED's operations. The forecast of financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and improve transparency and financial management.

Because the Future-Oriented Condensed Statement of Operations is prepared on an accrual accounting basis and the forecast and planned spending amounts presented in other sections of the RPP are prepared on an expenditure basis, amounts may differ.

A more detailed Future-Oriented Statement of Operations and associated notes, including a reconciliation of the net costs of operations to the requested authorities, are available on CED's website.[xxi]

Future-oriented Condensed Statement of Operations
For the Year Ended March 31, 2016 (dollars)

Financial Information	2015–16 Forecast Results	2016–17 Planned Results	Difference
Total Expenses[23]	165,176,000	199,178,000	34,002,000
Total Revenues	0	0	0
Net cost of operations before government funding and transfers	165,176,000	199,178,000	34,002,000

In 2016-17 CED's total net expenditures are projected to be $199.2 million, a 20.6% increase over the previous fiscal year. The increase in net expenditures for 2016–17 is attributable to the new CIP-150 and to the funding for the *Extension of the natural gas distribution network between Lévis and Sainte-Claire (Bellechasse Pipeline)*.

[23] Expenses reflect the economic resources used by CED during a period to deliver the programs in its PAA, and are of two types: (i) transfer payments; and (ii) operating expenses. Expenses calculated in the context of the *Future-oriented Statement of Operations* (Section III) differ from those presented in sections I and II of the RPP, since unconditionally repayable contributions are accounted for as loans, thus reducing total transfer payment expenses.

CED's planned expenditures consist largely of transfer payments, that is, payments related to non-repayable and conditionally repayable contributions. These are projected to total $150.6 million in 2016-17, an increase of 26.7% compared to 2015-16.

CED's revenues, returned to the consolidated revenue fund, are declared in its financial statements as being earned on the government's behalf. As a result, the organization's net revenues are zero. Note that CED's total gross revenues are forecast to amount to $516 thousand in 2016-17, a variation of $292 thousand in comparison to fiscal year 2015-16. The planned amount for 2016-17 represents the average of net revenues of the organization for the past few years.

Supplementary Information Tables

The supplementary information tables of the *2016–17 Report on Plans and Priorities* are available on CED's website.[xxii]

- Upcoming Internal Audits and Evaluations Over the Next Three Fiscal Years
- Details on Transfer Payment Programs of $5 Million or More
- Departmental Sustainable Development Strategy

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures, such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the *Tax Expenditures and Evaluations* publication.[xxiii] The tax measures presented in that publication are the sole responsibility of the Minister of Finance.

SECTION IV: Organizational Contact Information

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Appendix: Definitions

Appropriation: Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

Budgetary Expenditures: Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report: Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

Full-time Equivalent: A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada Outcomes: A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure: A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

Non-budgetary Expenditures: Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

Performance: What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

Performance Indicator: A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

Performance Reporting: The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

Planned Spending: For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

Plans: The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

Priorities: Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

Program Alignment Architecture: A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Program: A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Report on Plans and Priorities: Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

Results: An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

Statutory Expenditures: Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome: A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

Sunset Program: A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

Target: A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

Voted Expenditures: Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Whole-of-Government Framework: Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

[i] **Ministerial Mandate Letters**, http://pm.gc.ca/eng/ministerial-mandate-letters
[ii] **Minister of Innovation, Science and Economic Development Mandate Letter,** http://pm.gc.ca/eng/minister-innovation-science-and-economic-development-mandate-letter
[iii] **Minister of Science Mandate Letter,** http://pm.gc.ca/eng/minister-science-mandate-letter
[iv] **Minister of Small Business and Tourism Mandate Letter,** http://pm.gc.ca/eng/minister-small-business-and-tourism-mandate-letter
[v] *Economic Development Agency of Canada for the Regions of Quebec Act*: http://laws-lois.justice.gc.ca/eng/acts/E-1.3/index.html
[vi] **CED's business offices:** http://www.dec-ced.gc.ca/eng/contact/offices/index.html
[vii] **For more detailed descriptions of these programs and initiatives, consult the CED website:** http://www.dec-ced.gc.ca/eng/funding/index.html.
[viii] **The description of the Quebec Economic Development Program is available in the supplementary information table:** *Details on Transfer Payment Programs of $5 Million or more.*
[ix] **Prime Minister of Canada's website:** http://www.pm.gc.ca/eng/ministerial-mandate-letters
[x] **Whole-of-government framework:** http://tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx.
[xi] **2016–17 Main Estimates:** http://www.tbs-sct.gc.ca/hgw-cgf/finances/pgs-pdg/gepme-pdgbpd/index-eng.asp
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[xix] **Expected results with respect to this program appear in Infrastructure Canada's Report on Plans and Priorities :** http://www.infrastructure.gc.ca/index-eng.html
[xx] **See Infrastructure Canada's website:** http://www.infrastructure.gc.ca/pub/index-eng.html
[xxi] **See CED's website:**http://www.dec-ced.gc.ca/eng/publications/agency/rpp.html.
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